



MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

PART I: GENERAL INFORMATION

Requestor Name and Address: NORTH CENTRAL SURGICAL HOSPITAL 9301 N CENTRAL EXPRESSWAY SUITE 1600 DALLAS TX 75231	MFDR Tracking #: M4-10-1187-01 DWC Claim #: Injured Employee:
Respondent Name and Box #: AMERICAN ZURICH INSURANCE CO Box #: 19	Date of Injury: Employer Name: Insurance Carrier #:

PART II: REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "Original bill submission requested 200% of Medicare APC, carrier incorrectly asserts that since implants were billed, payment must be made at 130%; however, it is the provider's right to declare the reimbursement methodology to be used. Attached original UB and reconsideration documentation will show that we have maintained our request at 200% of APC since 07/27/09, the time of bill."

Amount in Dispute: \$228.96*

PART III: RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "North Central Surgical Hospital contends that it should be reimbursed for their billing at 200% of the Medicare APC rate. That said, the provider billed for an implantable utilizing HCPCS code L8699. However, upon the provider billing for this HCPCS code the Teas Administrative Code requires payment at 130% of the Medicare APC rate. Any suggestion by the provider to now contend that they are entitled to 200% of the Medicare APC rate is disingenuous. Further, the provider should be cstopped [sic] from now contending that they are entitled to additional reimbursement in an effort to circumvent the Texas Hospital Facility Gee Guideline."

PART IV: SUMMARY OF FINDINGS

Date(s) of Service	Disputed Services	Calculations	Amount in Dispute	Amount Due
07/15/2009	CPT Codes 29846, 36415, 80048, 85014, 85018	\$3,843.34 + \$12.41 (Fee Schedule) = \$3,855.75 (\$2,916.38 - Respondent payment)	\$228.96	\$228.96
Total Due:				\$228.96

PART V: REVIEW OF SUMMARY, METHODOLOGY AND EXPLANATION

Texas Labor Code Section 413.011(a-d), titled *Reimbursement Policies and Guidelines*, and Division rule at 28 Texas Administrative Code §134.403, titled *Hospital Facility Fee Guideline – Outpatient*, effective for medical services provided in an outpatient acute care hospital on or after March 1, 2008, set out the reimbursement guidelines for hospital outpatient services.

This request for medical fee dispute resolution was received by the Division on October 23, 2009.

* The Requestor submitted updated Table of Disputed Services on December 3, 2010.

- For the services involved in this dispute, the respondent reduced or denied payment with reason code:
 - 217 – The charges have been discounted per review by QMEDRIX's bill check service.

- 97 – Pymnt is included in the allowance for another srvc/px. Included in global reimbursement. Reimbursement is being withheld as this procedure is considered integral to the primary proc billed.
 - 45 – Charge exceeds fee schedule/max allowable OR contracted/legislated fee arrangement. Reimbursement for resubmitted invoice has been considered. No additional monies are being paid at this time. Bill has been paid according to PPO contract. Workers Compensation State Fee Schedule Adjustment.
 - 97 – The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated.
 - 193 – Original payment decision is being maintained. Reimbursement for your no additional monies are being paid at this time. Bill has been paid according to State Fee guidelines or rules and regulations.
 - 45 – Charges exceed your contracted/legislated fee arrangement. Reimbursement based on QMEDRIX correction.
2. According to the explanation of benefits, the services in dispute were paid using a contracted fee arrangement. Tex. Lab. Code Ann. §413.011(d-3) states that the division may request copies of each contract under which fees are being paid, and goes on to state that the insurance carrier may be required to pay fees in accordance with the division's fee guidelines if the contract is not provided in a timely manner to the division. On October 6, 2010 the division requested a copy of the contract between the net work and the health care provider. The carrier failed to provide a copy of the requested documentation. For that reason, the disputed health care will be reviewed in accordance with 28 Tex. Admin. Code §134.403
 3. Division rule at 28 TAC §134.403(e) states, in pertinent part, that "Regardless of billed amount, reimbursement shall be:
 - (1) the amount for the service that is included in a specific fee schedule set in a contract that complies with the requirements of Labor Code 413.011; or
 - (2) if no contracted fee schedule exists that complies with Labor Code 413.011, the maximum allowable reimbursement (MAR) amount under subsection (f), including any applicable outlier payment amounts and reimbursement for implantables;"
 4. Pursuant to Division rule at 28 TAC §134.403(f), "The reimbursement calculation used for establishing the MAR shall be the Medicare facility specific amount, including outlier payment amounts, determined by applying the most recently adopted and effective Medicare Outpatient Prospective Payment System (OPPS) reimbursement formula and factors as published annually in the *Federal Register*. The following minimal modifications shall be applied.
 - (1) The sum of the Medicare facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by:
 - (A) 200 percent; unless
 - (B) a facility or surgical implant provider requests separate reimbursement in accordance with subsection (g) of this section, in which case the facility specific reimbursement amount and any applicable outlier payment amount shall be multiplied by 130 percent."
 5. Under the Medicare Outpatient Prospective Payment System (OPPS), all services are classified into groups called Ambulatory Payment Classifications (APCs). Services in each APC are clinically similar and require similar resources. A payment rate is established for each APC. Depending on the services provided, hospitals may be paid for more than one APC per encounter. Within each APC, payment for ancillary and supportive items and services is packaged into payment for the primary independent service. Packaged services are considered integral to the primary paid service and are not separately reimbursed. An OPPS payment status indicator is assigned to each HCPCS code. The status indicator for each HCPCS code is shown in OPPS Addendum B, and a full list of status indicators and their definitions is published in Addendum D1 of the OPPS proposed and final rules each year, both of which are publicly available from the Centers for Medicare and Medicaid services.
 6. Upon review of the documentation submitted by the Requestor and Respondent, the Division finds that:
 - (1) No documentation was found to support a contractual agreement between the parties to this dispute;
 - (2) MAR can be established for these services; and
 - (3) Separate reimbursement for implantables was NOT requested by the requestor.
 7. According to 134.403(h) for medical services provided in an outpatient acute care hospital, but not addressed in the Medicare payment policies as outlined in subsections (f)(1) or (f)(2) of this section and for which Medicare reimburses using other Medicare fee Schedule, reimbursement shall be made using the applicable Division Fee Guideline in effect for that service on the date the service was provided. Review of the UB-04 documents the requestor billed CPT Codes 36415, 85014, and 85018. These codes are considered Status A codes. Status A codes are paid under a fee schedule or with a prospectively pre-determined rate. Status A codes are paid according to Tx. Admin. Code Section §134.203. The Requestor also billed CPT Code 80048. This code is also considered a Status A code; however,

according to CMS policy the charge for this code is bundled for payment.

8. The payment status code for CPT Code 29846 has a payment status code of T. Status T codes are defined as outpatient significant procedures subject to multiple procedure discounting. The highest payment Status T APC is paid at 100%; all others are paid at 50%. The Provider did not bill any other Status T codes with the primary procedure.

Based upon the documentation submitted by the parties and in accordance with Texas Labor Code §413.031(c), the Division concludes that the requestor is due additional payment. As a result, the amount ordered is \$228.96.

PART VI: GENERAL PAYMENT POLICIES/REFERENCES

Texas Labor Code §413.011(a-d), §413.031 and §413.0311
28 Texas Administrative Code §133.305, §133.307, §134.203, §134.403
Texas Government Code, Chapter 2001, Subchapter G

PART VII: DIVISION DECISION

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$228.96 plus accrued interest per Division rule at 28 TAC §134.130 and §413.019 (if applicable), due within 30 days of receipt of this order.

DECISION/ORDER:

_____	_____	02/17/11
Authorized Signature	Medical Fee Dispute Resolution Officer	Date

PART VIII: YOUR RIGHT TO REQUEST AN APPEAL

Either party to this medical fee dispute has a right to request an appeal. A request for hearing must be in writing and it must be received by the DWC Chief Clerk of Proceedings within **20** (twenty) days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. **Please include a copy of the Medical Fee Dispute Resolution Findings and Decision** together with other required information specified in Division rule at 28 TAC §148.3(c).

Under Texas Labor Code §413.0311, your appeal will be handled by a Division hearing under Title 28 Texas Administrative Code Chapter 142 Rules if the total amount sought does not exceed \$2,000. If the total amount sought exceeds \$2,000, a hearing will be conducted by the State Office of Administrative Hearings under Texas Labor Code §413.031.

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.